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**Concord New Energy Group Limited**  
**協合新能源集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 182)**

**DISCLOSEABLE TRANSACTION**  
**DISPOSAL OF COMPANIES**

The Board is pleased to announce that after trading hour on 28 September 2020:

- (a) Yongzhou Jiepai (a wholly-owned subsidiary of the Company) entered into the Disposal-I Agreements to sell to Three Gorges Renewables the Sale Shares I at the Consideration I; and
- (b) Yinhua Century Concord (a wholly-owned subsidiary of the Company) entered into the Disposal-II Agreements to sell to Three Gorges Renewables the Sale Shares II at the Consideration II.

As the highest Applicable Percentage Ratio for the Disposal Agreements as a whole is more than 5% but less than 25%, the entering into the Disposal Agreements as a whole constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and publication requirements under Chapter 14 of the Listing Rules.

**INTRODUCTION**

The Board is pleased to announce that after trading hour on 28 September 2020, Yongzhou Jiepai and Yinhua Century Concord entered into the Disposal-I Agreements and the Disposal-II Agreements with Three Gorges Renewables respectively for the Disposals to Three Gorges Renewables. Details of the Disposals and the principal terms of the Disposal Agreements are set out below.

## DISPOSAL AGREEMENTS

### Disposal-I Agreements

Date : 28 September 2020

Parties : (i) Yongzhou Jiepai as the seller  
(ii) Three Gorges Renewables as the purchaser  
(iii) each of the Target Companies I as the covenantor to undertake to assist in the completion of the Disposal-I Agreements respectively

Subject matter : Sale Shares I, representing a 100% shareholding interest in each of Nanzhao Century Concord, Huize Century Concord and Huize Taihe.

All the profit or loss of the Target Companies I during the period from 31 May 2020 to the date of the industrial and commercial change registration for the Disposal-I (the “**Disposal-I Registration**”) shall be belonged to or borne by the Target Companies I. As at 31 May 2020, the Target Companies I owed to Yongzhou Jiepai (and its affiliates) a total sum of approximately RMB327.59 million (approximately HK\$372.26 million). The said sum shall be repaid within 40 working days after the Disposal-I Registration.

### Consideration

The Consideration I which is payable by Three Gorges Renewables for the purchase of the Sale Shares I shall be RMB453.76 million (approximately HK\$515.64 million). The Consideration I was arrived at after arm’s length negotiation between Yongzhou Jiepai and Three Gorges Renewables and was determined with reference to the financial position and business prospects of the Target Companies I.

## Payment terms

The Consideration I shall be paid by Three Gorges Renewables to Yongzhou Jiepai in cash in the following manner:

1. within 5 working days from the fulfillment (or waiver by Three Gorges Renewables) of the following conditions (which is expected to be in or about late October 2020), RMB226.88 million (approximately HK\$257.82 million) shall be paid:
  - (a) all necessary consents from the financier(s), pledgee(s) and mortgagee(s) of all finance agreement(s) entered into by the Target Companies I having been obtained for the transfer of the Sale Shares I; and
  - (b) the Disposal-I Registration having been completed;
2. within 5 working days from the fulfillment (or waiver by Three Gorges Renewables) of the following condition (which is expected to be in or about early November 2020), approximately RMB200.57 million (approximately HK\$227.92 million) shall be paid:
  - the handover to Three Gorges Renewables of all the seals, corporate books and records, approvals, contracts and other important documents of the Target Companies I having been completed; and
3. within 5 working days from the fulfillment (or waiver by Three Gorges Renewables) of the following conditions (which is expected to be in the period from late 2020 to about the end of 2021), the balance of the Consideration I, which represents around 5.8% of the Consideration I, being approximately RMB26.32 million (approximately HK\$30.00 million), shall gradually be paid:
  - (a) any pledge in respect of the land where a wind power turbine of the wind power project of the Target Companies I situated having been released;
  - (b) the special audit for the Target Companies I during the period from 31 May 2020 to the Disposal-I Registration having been completed within 30 days of the Disposal-I Registration;
  - (c) certain safety reports, evaluations, inspections and completion reports, and certain governmental permits and certificates which have not been obtained (such as planning and construction permits, immovable property certificate and etc.) in respect of the wind power projects of the Target Companies I as stipulated by the Disposal-I Agreements having been obtained;
  - (d) certain technical modification as stipulated by the Disposal-I Agreements in respect of the wind power projects of the Target Companies I having been completed;

- (e) certain proper invoices as requested by Three Gorges Renewables in respect of the Target Companies I having been obtained; and
- (f) all the outstanding matters in relation to enterprise income tax of the Target Companies I having been resolved, and tax clearance certificate having been obtained.

### **Disposal-II Agreements**

Date : 28 September 2020

Parties : (i) Yinhua Century Concord as the seller

(ii) Three Gorges Renewables as the purchaser

(iii) each of the Target Companies II as the covenantor to undertake to assist in the completion of the Disposal-II Agreements respectively

Subject matter : Sale Shares II, representing a 100% shareholding interest in each of Pingyuan County Century Concord and Haixing Century Concord.

All the profit or loss of the Target Companies II during the period from 31 May 2020 to the date of the industrial and commercial change registration for the Disposal-II (the “**Disposal-II Registration**”) shall be belonged to or borne by the Target Companies II. As at 31 May 2020, the Target Companies II owed to Yinhua Century Concord (and its affiliates) a total sum of approximately total RMB133.68 million (approximately HK\$151.91 million). The said sum shall be repaid within 40 working days after the Disposal-II Registration.

### **Consideration**

The Consideration II, which is payable by Three Gorges Renewables for the purchase of the Sale Shares II, shall be RMB122.05 million (approximately HK\$138.69 million). The Consideration II was arrived at after arm’s length negotiation between the parties and was determined with reference to the financial position and business prospects of Pingyuan County Century Concord and Haixing Century Concord.

The Consideration II shall be paid by Three Gorges Renewables to Yinhua Century Concord in cash in the following manner:

1. within 5 working days from the fulfillment (or waiver by Three Gorges Renewables) of the following conditions (which is expected to be in or about late October 2020), approximately RMB61.03 million (approximately HK\$69.35 million) shall be paid:
  - (a) all necessary consents from the financier(s), pledgee(s) and mortgagee(s) of all finance agreement(s) entered into by the Target Companies II having been obtained for the transfer of the Sale Shares II; and
  - (b) the Disposal-II Registration having been completed;
2. within 5 working days from the fulfillment (or waiver by Three Gorges Renewables) of the following condition (which is expected to be in or about early November 2020), approximately RMB50.99 million (approximately HK\$57.94 million) shall be paid:
  - the handover to Three Gorges Renewables of all the seals, corporate books and records, contracts and other important documents of the Target Companies II having been completed; and
3. within 5 working days from the fulfillment (or waiver by Three Gorges Renewables) of the following conditions (which is expected to be in the period from late 2020 to about the end of 2021), the balance of the Consideration II, which represents around 8.22% of the Consideration II, being approximately RMB10.04 million (approximately HK\$11.40 million), shall gradually be paid:
  - (a) the special audit for the Target Companies II during the period from 31 May 2020 to the Disposal-II Registration having been completed within 30 days of the Disposal-II Registration;
  - (b) certain documents showing the completion of the investigation, evaluation and safety acceptance, and certain governmental permits and certificates (such as planning and construction permits, immovable property certificate, and etc.), in respect of the photovoltaic power projects of the Target Companies II having been obtained; and
  - (c) certain proper invoices as requested by Three Gorges Renewables in respect of the Target Companies II having been obtained.

## INFORMATION OF TARGET COMPANIES

Nanzhao Century Concord, Huize Century Concord, Huize Taihe, Pingyuan County Century Concord and Haixing Century Concord were established as a limited liability company photovoltaic on 8 July 2014, 12 July 2012, 22 October 2012, 7 November 2012 and 7 July 2016 respectively. The Target Companies I are wholly owned by Yongzhou Jiepai. The Target Companies II are wholly owned by Yinhua Century Concord. The Target Companies are principally engaged in the investment and operation of the 100MW wind power plant in Nanzhao County, Nanyang City, Henan Province of the PRC (中國河南省南陽市南召縣), the 48MW wind power plant in Huize County, Qujing City, Yunnan Province of the PRC (中國雲南省曲靖市會澤縣), the 32MW wind power plant in Huize County, Qujing City, Yunnan Province of the PRC (中國雲南省曲靖市會澤縣), the 40MW photovoltaic power plant in Pingyuan County, Dezhou City, Shandong Province of the PRC (中國山東省德州市平原縣) and the 20MW photovoltaic power plant in Haixing County, Cangzhou City, Hebei Province of the PRC (中國河北省滄州市海興縣). According to the audited financial statements of the Target Companies for the two years ended 31 December 2019, the total audited net profit before taxation of the Target Companies were approximately RMB103.57 million (approximately HK\$117.69 million) and approximately RMB107.18 million (approximately HK\$121.80 million) respectively, and the total audited net profit after taxation were approximately RMB99.98 million (approximately HK\$113.61 million) and approximately RMB104.66 million (approximately HK\$118.93 million) respectively. The total audited net asset value of the Target Companies as at 31 December 2019 and total unaudited net asset value of the Target Companies as at 31 August 2020 were approximately RMB627.31 million (approximately HK\$712.85 million) and RMB548.04 million (approximately HK\$622.77 million) respectively.

## GENERAL INFORMATION

The Company is an investment holding company. The Group is principally engaged in (i) investing in wind and solar power projects; and (ii) offering professional technical services and integrated solutions to wind and solar power generation projects.

Both Yongzhou Jiepai and Yinhua Century Concord are investment holding companies.

Three Gorges Renewables is principally engaged in the development and investment in wind, solar power, small and medium-sized hydro power generation. Three Gorges Renewables is ultimately owned by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

To the best of the Directors' knowledge and belief after having made all reasonable enquiries, Three Gorges Renewables and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

## **FINANCIAL EFFECTS OF THE DISPOSALS**

The Company estimates that for the Disposals, the Company would recognise a total unaudited gain of approximately RMB53.40 million (approximately HK\$60.68 million) from the Disposals, being the sum of (i) the amount equal to the Total Consideration minus the total unaudited net asset value of the Target Companies as at 31 August 2020 and (ii) the amount of the recognition of unrealised profits of previous transactions between the Group and the Target Companies, and then minus the amount of the deferred tax asset.

The actual total gains arising from the Disposals to be recorded are subject to audit and may be different from the above estimated total amounts as the actual total gain will depend on, amongst other factors, the actual total net asset values of the Target Companies as at completion of the Disposal Agreements.

## **REASONS FOR AND BENEFITS OF THE DISPOSALS**

The Group has adopted a “build-and-sell” strategy whereby the Group builds power plants and disposes of its interests in the power plants upon completion or operation of the power plants. The Directors consider that the “build-and-sell” strategy allows the Group to fully leverage its strengths in wind and solar power development and power plant construction so as to attain a more attractive return on its investments, enhance the Group’s cash flow return, reduce the debt ratio to support the Company’s subsequent healthy and rapid development. The Directors consider that the Disposals which contain projects that are eligible for renewable energy tariff subsidy will enhance the Company’s cashflow position, and provide additional capital resources for the Company to capture other investment opportunities. The proceeds generated from the Disposals will be used for general working capital and future business developments of the Group.

The Board considers that the terms of the Disposals are fair and reasonable and in the interests of the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the highest Applicable Percentage Ratio for the Disposal Agreements as a whole is more than 5% but less than 25%, the entering into the Disposal Agreements as a whole constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and publication requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms and expressions have the following meanings:

“Applicable Percentage Ratio”, “connected person” and “subsidiary”	have the meanings ascribed to them under the Listing Rules;
“Board”	board of Directors;
“Company”	Concord New Energy Group Limited (協合新能源集團有限公司*) (Stock code: 182), a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange;
“Consideration I”	the total consideration payable for the purchase of the Sale Shares I;
“Consideration II”	the total consideration payable for the purchase of the Sale Shares II;
“Director(s)”	the director(s) of the Company;
“Disposal Agreements”	the Disposal-I Agreements and the Disposal-II Agreements;
“Disposal-I”	the disposal of Sale Shares I by Yongzhou Jiepai;
“Disposal-I Agreements”	the share transfer agreements all dated 28 September 2020 between Yongzhou Jiepai, Three Gorges Renewables, and each of Nanzhao Century Concord, Huize Century Concord and Huize Taihe respectively;
“Disposal-II”	the disposal of Sale Shares II by Yinhua Century Concord;
“Disposal-II Agreements”	the share transfer agreements all dated 28 September 2020 between Yinhua Century Concord, Three Gorges Renewables, and each of Pingyuan County Century Concord and Haixing Century Concord respectively;
“Disposals”	the Disposal-I and the Disposal-II;
“Group”	the Company and its subsidiaries;



“Haixing Century Concord”	Haixing Century Concord Solar Power Co., Ltd.* (海興協合太陽能發電有限公司), a company established in the PRC with limited liability, which is wholly-owned by Yinhua Century Concord as at the date of this announcement;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Huize Century Concord”	Huize Century Concord Wind Power Co., Ltd.* (會澤協合風力發電有限公司), a company established in the PRC with limited liability, which is wholly-owned by Yongzhou Jiepai as at the date of this announcement;
“Huize Taihe”	Huize Taihe Wind Power Co., Ltd.* (會澤泰合風力發電有限公司), a company established in the PRC with limited liability, which is wholly-owned by Yongzhou Jiepai as at the date of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MW”	megawatt;
“Nanzhao Century Concord”	Nanzhao Century Concord Wind Power Co., Ltd.* (南召協合風力發電有限公司), a company established in the PRC with limited liability, which is wholly-owned by Yongzhou Jiepai as at the date of this announcement;
“Pingyuan County Century Concord”	Pingyuan County Century Concord Solar Power Co., Ltd.* (平原縣協合太陽能發電有限公司), a company established in the PRC with limited liability, which is wholly-owned by Yinhua Century Concord as at the date of this announcement;
“PRC”	the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Shares I”	a 100% shareholding interest in each of Nanzhao Century Concord, Huize Century Concord and Huize Taihe;
“Sale Shares II”	a 100% shareholding interest in each of Pingyuan County Century Concord and Haixing Century Concord;

“Shareholder(s)”	holder(s) of the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Companies”	the Target Companies I and the Target Companies II;
“Target Companies I”	Nanzhao Century Concord, Huize Century Concord and Huize Taihe;
“Target Companies II”	Pingyuan County Century Concord and Haixing Century Concord;
“Three Gorges Renewables”	China Three Gorges Renewables (Group) Co., Ltd.* (中國三峽新能源(集團)股份有限公司), a joint stock limited company established in the PRC;
“Total Consideration”	the sum of the Consideration I and Consideration II;
“Yinhua Century Concord”	Yinhua Century Concord New Energy Investment Co., Ltd.* (銀華協合新能源投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Yongzhou Jiepai”	Yongzhou Jiepai Century Concord Wind Power Co., Ltd.* (永州界牌協合風力發電有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company; and
“%”	per cent.

*For the purposes of this announcement, the exchange rates of HK\$1.00=RMB0.88 has been used for currency translation. Such exchange rates are for illustration purposes only and does not constitute representations that any amount in HK\$ or RMB has been, could have been or may be converted at such rate.*

For and on behalf of  
**Concord New Energy Group Limited**  
**Liu Shunxing**  
*Chairman*

Hong Kong, 28 September 2020

*As at the date of this announcement, the Board comprises Mr. Liu Shunxing (Chairman), Ms. Liu Jianhong (Vice Chairperson), Mr. Gui Kai (Chief Executive Officer), Mr. Niu Wenhui, Dr. Shang Li and Mr. Zhai Feng (all of above are executive Directors), Mr. Wang Feng (who is a non-executive Director), and Mr. Yap Fat Suan, Henry, Dr. Jesse Zhixi Fang, Ms. Huang Jian and Mr. Zhang Zhong (who are independent non-executive Directors).*

\* *For identification purposes only*